

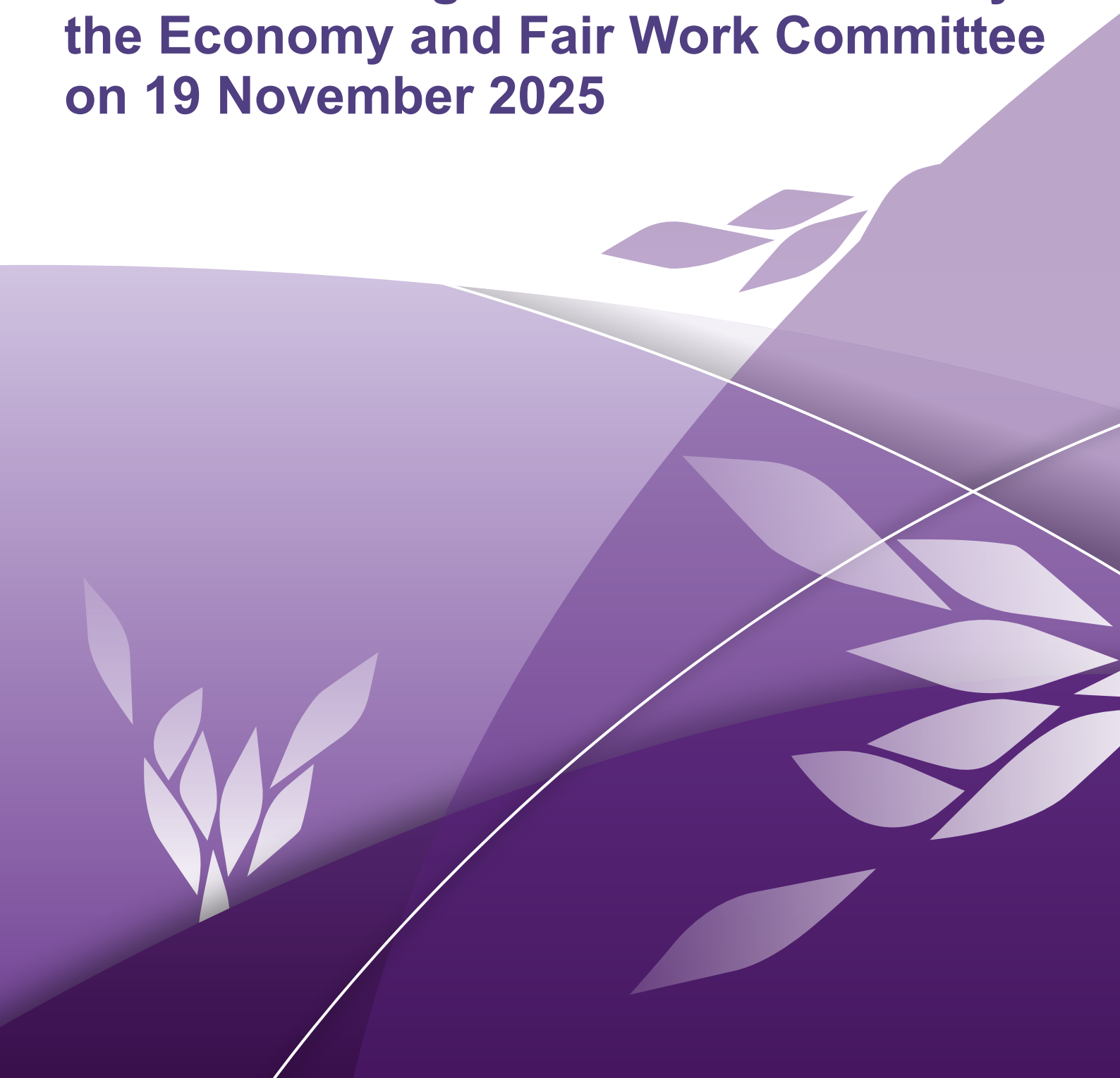


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Economy and Fair Work Committee

Subordinate legislation considered by the Economy and Fair Work Committee on 19 November 2025



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Economy and Fair Work Committee

To consider and report on matters within the responsibility of the Deputy First Minister and Cabinet Secretary for Economy and Gaelic, with the exception of Gaelic; and on matters relating to just transition.



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The Public Procurement (Iraq Free Trade Agreement) (Miscellaneous Amendment) (Scotland) Regulations 2025

About the instrument

1. This instrument implements part of an international agreement making changes to the procurement chapter of the [Agreement on Partnership and Co-operation between the United Kingdom and Iraq](#). It does this by inserting a reference to the agreement into the schedules of the following regulations relating to public procurement—
 - [Public Contracts \(Scotland\) Regulations 2015](#);
 - [Utilities Contracts \(Scotland\) Regulations 2016](#); and
 - [Concession Contracts \(Scotland\) Regulations 2016](#).
2. The effect is that Iraqi suppliers will be entitled to the same treatment as Scottish or other UK suppliers, when bidding for contracts covered by the agreement. Similar provisions are expected to be made by the UK and Welsh governments.
3. A [Child Rights and Wellbeing Impact Assessment](#) (CRWIA) was carried out, and no impacts were identified. The Policy Note states that no other impact assessments were conducted, as any potential effects would stem from the UK Government's agreement itself, not from any instruments implementing it.

Consideration by the Delegated Powers and Law Reform Committee

4. The Delegated Powers and Law Reform (DPLR) Committee considered the instrument on 4 November and reported in its [82nd Report, 2025](#).
5. It made no recommendations in relation to the instrument.

Consideration by the Economy and Fair Work Committee

6. The Committee took evidence on the instrument from the Minister for Public Finance on 19 November 2025.
7. The Committee asked the Minister about the current level of trade between Scotland and Iraq. The Minister stated that Scottish exports to Iraq are worth around £45 million per year, while imports from Iraq total around £1 million. The

Minister added that Iraqi firms have not previously bid in public procurement processes, but the new regulations would enable them to do so in future.

8. The Minister moved motion S6M-19302—

That the Economy and Fair Work Committee recommends that the Public Procurement (Iraq Free Trade Agreement) (Miscellaneous Amendment) (Scotland) Regulations 2025 [draft] be approved.

9. The Motion was agreed to.

10. **Accordingly, the Committee recommends to the Parliament that the draft Public Procurement (Iraq Free Trade Agreement) (Miscellaneous Amendment) (Scotland) Regulations 2025 be approved.**

The Cross-Border Public Procurement (Miscellaneous Amendment) (Scotland) Regulations 2025

About the instrument

11. The instrument makes provision for how devolved Scottish procurement legislation applies to cross-border public procurement, following the enactment of the Procurement Act 2023 (the 2023 Act).
12. Whilst the UK was a member of the European Union, the regulatory framework for public procurement across the UK was broadly the same as it reflected the requirements of EU law. The 2023 Act introduced a new regime for UK contracting authorities (excluding devolved Scottish authorities), creating a divergence between the rules in Scotland and elsewhere in the UK.
13. The Policy Note states that the instrument—
 - Applies Scottish procurement legislation in full to contract awards where a UK contracting authority conducts joint procurement with a devolved Scottish authority, and the devolved authority is the lead. This mirrors the position under the amended 2023 Act, where UK rules apply when a UK authority leads.
 - It also applies Scottish procurement legislation to a UK contracting authority when it awards a contract under a devolved Scottish framework agreement, dynamic purchasing system, or similar arrangement. This reflects the approach taken in the amended 2023 Act, which applies UK rules to Scottish authorities using UK frameworks.
 - It disapplies certain aspects of Scottish procurement legislation where a devolved Scottish authority awards a contract under a reserved procurement arrangement, to prevent conflicting requirements applying simultaneously.
14. As the regulations align with UK provisions previously [consulted on by the UK Government in 2023](#), no further consultation was undertaken by the Scottish Government.
15. The [Policy Note](#) states that, as the instrument has no financial effects on the Scottish Government, a business and regulatory impact assessment (BRIA) was not necessary. A [Child Rights and Wellbeing Impact Assessment](#) (CRWIA) was undertaken and no impacts were identified.

Consideration by the Delegated Powers and Law Reform Committee

16. The DPLR Committee considered the instrument on 4 November and reported on it in its [82nd Report, 2025](#).

17. It made no recommendations in relation to the instrument.

Consideration by the Economy and Fair Work Committee

18. The Committee took evidence on the instrument from the Minister for Public Finance on 19 November 2025.
19. The Committee asked the Minister for practical examples of collaboration between contracting authorities across the UK that would continue under the regulations. Officials highlighted cooperation in both directions such as Scottish contracting authorities using Crown Commercial Service frameworks for IT procurement, and higher and further education institutions, elsewhere in the UK, working with Scottish counterparts through Scottish frameworks.
20. When asked whether large, shared procurement exercises put small and medium-sized enterprises (SMEs) at a disadvantage, the Minister said that, although bigger frameworks can attract larger suppliers, SME access is embedded in Scottish procurement processes. He noted that 47% of Scottish public sector procurement spending currently goes to SMEs.
21. The Minister moved motion S6M-19428—
That the Economy and Fair Work Committee recommends that the Cross-Border Public Procurement (Miscellaneous Amendment) (Scotland) Regulations 2025 [draft] be approved.
22. The Motion was agreed to.
23. **Accordingly, the Committee recommends to the Parliament that the draft Cross-Border Public Procurement (Miscellaneous Amendment) (Scotland) Regulations 2025 be approved.**

